

BEFORE THE BOARD OF MEDICAL EXAMINERS  
OF THE STATE OF ARIZONA

In the Matter of )

**STEPHEN E. FLYNN, M.D.** )

Holder of License No. 3351 )  
For the Practice of Medicine )  
In the State of Arizona. )

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW  
AND DECREE OF CENSURE**

STEPHEN E. FLYNN, M.D., holder of License No. 3351 for the practice of medicine in the State of Arizona, appeared before the Arizona Board of Medical Examiners ("Board") for an informal interview on October 17, 1995. Based on the information presented, the Board adopted the following Findings of Fact, Conclusions of Law and Order.

**FINDINGS OF FACT**

1. The Board of Medical Examiners of the State of Arizona is the duly constituted authority for the regulation and control of the practice of medicine in the State of Arizona.

2. STEPHEN E. FLYNN, M.D. is the holder of License No. 3351 for the practice of medicine in the State of Arizona.

3. On September 21, 1994, the Board received the following written notification from a hospital:

Pursuant to A.R.S. § 32-1451(B), you are hereby notified that the application for reappointment of Stephen E. Flynn, M.D. for membership and privileges at [the hospital] was denied, on the basis that Dr. Flynn knowingly submitted a falsified document to the Medical Staff Services Department and thereby failed to demonstrate high moral character in adherence to

generally recognized standards of medical and professional practice as required by the bylaws.

4. The application that Dr. FLYNN submitted for reappointment to the medical staff of the hospital was dated December 1, 1993. It was signed by Dr. FLYNN and stated that all information submitted by him on the application was true to his best knowledge and belief.

5. In Section III, page 2 of the application, when Dr. FLYNN was asked to provide information regarding his professional liability insurance, he responded as follows (Dr.'s FLYNN's responses are underlined):

1. I have professional liability insurance with  
The Doctor's Company in the amount of  
1-3 million effective Feb 93 to Feb 94 Policy #  
5151 Shore [illegible] #180 San Diego, Ca 92122  
address city state zip

2. List all insurance carriers in the past 2 years:

DOCTORS INS ONLY  
(Name) Policy #

6. When the hospital queried The Doctor's Company directly to verify insurance coverage for Dr. FLYNN, The Doctor's Company advised on March 9, 1994 that it had no record of having insured Dr. FLYNN.

7. Dr. FLYNN submitted to the hospital copies of two purported "Certificates of Insurance" of The Doctor's Company that he had a professional liability insurance policy with that company (1) issued 01/14/93 for the policy period 02/01/93 to 02/01/94, retroactive to 02/01/90; and (2) issued 01/19/94 for the policy period 02/01/94 to 02/01/95, retroactive to 02/01/90. Those "Certificates of Insurance" were fraudulent and had been prepared by Dr. FLYNN, rather than by the insurance company. When the hospital informed Dr. FLYNN of a "discrepancy" with his malpractice insurance, Dr. FLYNN stated on April 20, 1994, that he had taken "an old policy from The Doctor's Company" and "just filled in the dates."

8. In a letter to the hospital dated April 22, 1994, Dr. FLYNN stated that he had applied to several insurance companies and had "intended to go with Doctor's Insurance Company, even sending in the certificate of insurance the agent sent me with the understanding it would be valid when my money was received. The money was not sent because I found a better company for my purposes. Early this month I have taken out Paradigm Malpractice Insurance . . ."

9. Dr. FLYNN did not obtain professional liability insurance from Paradigm or from The Doctor's Company.

10. On May 17, 1994, an insurance agency provided the hospital with a copy of a Certificate of Insurance from Fremont Indemnity Company with an effective date 05/12/94, retroactive date 05/12/94 and, issue date 05/13/94.

11. By letter dated November 29, 1994, the Board informed Dr. FLYNN that it had been notified that his reapplication for hospital privileges had been denied, and requested that he provide written comments within fifteen days.

12. In an undated letter to the Board received December 6, 1994, Dr. FLYNN responded as follows:

Yes, I did send false document with my application to [the hospital]. Statement said I had medical malpractice at the time, February 1994, when at that time I was without insurance. I was grandfathered (not required to have malpractice insurance) up into late 1993. I made arrangements to get malpractice insurance in March 1994, but it wasn't until May that the policy was issued.

13. On October 12, 1990, Dr. FLYNN entered into a chemical dependency Rehabilitation Stipulation with the Board. After Dr. FLYNN successfully completed the Board's rehabilitation program on January 29, 1994, the Board voted to terminate the Rehabilitation Stipulation and Order effective April 29, 1994.

### CONCLUSIONS OF LAW

1. The Board of Medical Examiners of the State of Arizona possesses jurisdiction over the subject matter hereof and over STEPHEN E. FLYNN, M.D.

2. The conduct and circumstances described above constitute unprofessional conduct pursuant to A.R.S. § 32-1401(24)(t)<sup>1</sup> (knowingly making any false or fraudulent statement, written or oral, in connection with the practice of medicine or if applying for privileges or renewing an application for privileges at a health care institution).

3. The conduct and circumstances described above constitute unprofessional conduct pursuant to A.R.S. § 32-1401 (24)(s)<sup>2</sup> (violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision of this chapter).

4. The conduct and circumstances described above constitute unprofessional conduct pursuant to A.R.S. § 32-1401 (24)(a)<sup>3</sup> (violation of any federal or state laws or rules and regulations applicable to the practice of medicine).

### ORDER

Based upon the Findings of Fact and Conclusions of Law set forth above, it is ordered that STEPHEN E. FLYNN, M.D. is hereby censured.

DATED this 17th day of October, 1995

[SEAL]

BOARD OF MEDICAL EXAMINERS  
OF THE STATE OF ARIZONA

By Mark R. Speicher  
MARK R. SPEICHER  
Executive Director

<sup>1</sup> Now A.R.S. § 32-1401(25)(t)

<sup>2</sup> Now A.R.S. § 32-1401(25)(s)

<sup>3</sup> Now A.R.S. § 32-1401(25)(a)

COPY of the foregoing mailed  
by Certified Mail this 22nd day  
of November, 1995 to:

Stephen E. Flynn, M.D.  
3235 N. 20th Street  
Phoenix, Arizona 85016

Irene Bejarano  
Secretary

BN952860028